

KODIAK COPPER CORP.

(Formerly Dunedin Ventures Inc.)

Condensed Interim Consolidated Financial Statements

For the nine months ended June 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NON-REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Kodiak Copper Corp. (the “Company” or “Kodiak”) have been prepared by and are the responsibility of the Company’s management.

The attached condensed interim financial statements for the nine months ended June 30, 2021 have not been reviewed by the Company’s auditors.

KODIAK COPPER CORP. (formerly Dunnedin Ventures Inc.)

Condensed Interim Consolidated Statements of Financial Position

June 30, 2021

(Unaudited-Expressed in Canadian Dollars)

	June 30, 2021	September 30, 2020
Assets		
Current Assets:		
Cash and cash equivalents (Note 10)	\$ 12,805,251	\$ 2,572,178
Amounts receivable (Note 10)	77,492	76,119
Advances and deposits (Note 10)	163,085	209,440
Marketable securities (Note 5c)	196,769	767,050
	13,242,597	3,624,787
Non-Current Assets:		
Equipment	546	834
Reclamation bonds (Note 4)	183,692	169,998
Exploration and evaluation assets (Note 5)	7,356,664	2,880,582
Total Assets	\$ 20,783,499	\$ 6,676,201
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities (Notes 6,7 & 10)	\$ 725,437	\$ 1,109,901
Flow through share premium liability (Note 9)	2,739,092	237,811
	3,464,529	1,347,712
Long term loan (Note 11)	40,000	40,000
Deferred tax liability (Note 9)	4,096,011	1,214,040
Total Liabilities	7,600,540	2,601,752
Shareholders' Equity:		
Share capital (Note 8)	65,206,324	52,087,591
Reserves (Note 8)	7,908,028	6,764,559
Accumulated other comprehensive income (loss)	(399,153)	(123,491)
Deficit	(59,532,240)	(54,654,210)
	13,182,959	4,074,449
Total Liabilities and Shareholders' Equity	\$ 20,783,499	\$ 6,676,201

Approved on Behalf of the Board:

"Steven Krause"
Steven Krause

"Chad Ulansky"
Chad Ulansky

The accompanying notes are an integral part of these consolidated financial statements.

KODIAK COPPER CORP. (formerly Dunnedin Ventures Inc.)

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

	Notes	Three months ended June 30, 2021	Three months ended June 30, 2020	Nine months ended June 30, 2021	Nine months ended June 30, 2020
Expenses					
Amortization		\$ 96	\$ 203	\$ 288	\$ 609
Consulting fees		29,940	72,732	125,406	230,696
Insurance		10,144	6,139	29,580	15,891
Management fees	7	87,551	82,349	432,018	228,840
Directors Fees	7	22,500	-	30,000	-
Payroll Costs		21,200	7,002	69,363	30,083
Office and administration		34,644	3,733	91,914	42,224
Professional fees		64,672	20,437	132,731	57,547
Rent		29,938	10,112	60,956	33,827
Stock-based compensation	8d	-	15,546	1,307,496	222,442
Transfer agent and filing		35,700	19,427	134,873	39,541
Travel, promotion and shareholder information		156,792	224,564	523,453	499,990
Impairment of exploration and evaluation assets	5	4,201	844	8,719	3,467
		(497,378)	(463,088)	(2,946,797)	(1,405,157)
Other income (expenses)					
Foreign currency gain (loss)		(7,952)	293	(1,975)	(22,626)
Interest income		25,595	3,928	78,563	9,442
Other income (Note 9)		494,672	74,921	874,150	271,430
Other income (expenses)		512,315	79,142	950,738	258,246
Net income (loss) before taxes for the period					
		14,937	(383,946)	(1,996,059)	(1,146,911)
Deferred income tax expense (Note 9)					
		-	-	(2,881,971)	(646,570)
Net income (loss) for the period					
		14,937	(383,946)	(4,878,030)	(1,793,481)
Other comprehensive income (loss)					
Foreign currency translation adjustment		(4,446)	1,129	13,012	23,414
Loss on marketable securities		(67,464)	-	(262,651)	-
Comprehensive (loss) for the period					
		\$ (56,973)	\$ (382,817)	\$ (5,127,669)	\$ (1,770,067)
Earnings (loss) per share					
Basic		\$ 0.00	\$ (0.01)	\$ (0.108)	\$ (0.005)
Weighted average number of shares outstanding					
		46,725,620	36,664,188	45,287,015	32,726,732

The accompanying notes are an integral part of these consolidated financial statements.

KODIAK COPPER CORP. (formerly Dunnedin Ventures Inc.)

Condensed Interim Consolidated Statements of Changes in Equity

June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

	Notes	Share Capital		Reserves	AOCL	Deficit	Total
		Number of Shares	Amount				
Balance at September 30, 2019		29,354,647	\$ 47,985,412	\$ 6,546,547	\$ (61,090)	\$ (44,030,655)	\$ 10,440,214
Net loss for the period		-	-	-	-	(1,793,481)	(1,793,481)
Shares issued in private placement	8(b)	2,757,443	983,145	-	-	-	983,145
Flow-through shares issued in private placement		4,552,098	2,394,705	-	-	-	2,394,705
Flow-through shares premium		-	(786,570)	-	-	-	(786,570)
Shares issue costs	8	-	(156,132)	45,906	-	-	(110,226)
Share based compensation		-	-	222,442	-	-	222,442
Foreign currency translation adjustment		-	-	-	23,314	-	23,314
Change during the period		7,309,541	2,435,148	268,348	23,314	(1,793,481)	933,429
Balance at June 30, 2020		36,664,188*	\$ 50,420,560	\$ 6,814,895	\$ (37,676)	\$ (45,824,136)	\$ 11,373,643

	Notes	Share Capital		Reserves	AOCL	Deficit	Total
		Number of Shares	Amount				
Balance at September 30, 2020		39,166,738	\$ 52,087,591	\$ 6,764,559	\$ (123,491)	\$ (54,654,210)	\$ 4,074,449
Net loss for the period		-	-	-	-	(4,878,030)	(4,878,030)
Shares issued in private placement	8(b)	1,027,443	2,003,514	-	-	-	2,003,514
Flow through shares issued in private placement	8(b)	3,739,316	10,673,965	-	-	-	10,673,965
Flow through shares premium	9	-	(3,382,299)	-	-	-	(3,382,299)
Share issue costs	8(b)	-	(18,875)	-	-	-	(18,875)
Shares issued for mineral property	8(b)	950,000	1,577,000	-	-	-	1,577,000
Warrants exercised	8(c)	2,370,940	1,955,576	-	-	-	1,955,576
Options exercised	8(d)	251,000	309,852	(164,027)	-	-	145,825
Share-based compensation	8(d)	-	-	1,307,496	-	-	1,307,496
Fair Value adjustment on marketable securities	5(c)	-	-	-	(262,650)	-	(262,650)
Foreign currency translation adjustment		-	-	-	(13,012)	-	(13,012)
Change during the period		8,338,700	13,118,733	1,143,469	(275,662)	(4,878,030)	9,108,510
Balance at June 30, 2021		47,505,438*	\$ 65,206,324	\$ 7,908,028	\$ (399,153)	\$ (59,532,240)	\$ 13,182,959

* On April 1st, 2020 the Company's shares started trading on the basis of five (5) pre-consolidation shares to one (1) post-consolidation share. All share and per share amounts are shown on a post-consolidated basis retroactively throughout these consolidated statements.

The accompanying notes are an integral part of these consolidated financial statements.

KODIAK COPPER CORP. (formerly Dunnedin Ventures Inc.)

Condensed Interim Consolidated Statements of Cash Flows

June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

Cash provided by / (used in):	<i>Notes</i>	Nine Months Ended June 30, 2021	Nine Months Ended June 30, 2020
Operating Activities:			
Loss for the period		\$ (4,878,030)	\$ (1,793,481)
Items not affecting cash:			
Amortization		288	609
Deferred income tax expense		2,881,971	646,570
Other income		(874,150)	(271,430)
Share-based compensation		1,307,496	222,442
Impairment of exploration and evaluation assets		8,719	3,467
Net changes in non-cash working capital items:			
Amounts receivable		(1,373)	11,052
Due from Solstice Gold Corp.		-	33,384
Advances and deposits		46,355	(48,877)
Accounts payable and accrued liabilities		(365,529)	(70,951)
		(1,874,253)	(1,267,215)
Investing Activities:			
Reclamation bonds		(13,694)	(1,435)
Exploration and evaluation assets		(2,926,737)	(848,114)
		(2,940,431)	(849,549)
Financing Activities:			
Shares issued for cash, net of \$25,774 (2020 - \$158,798) share issuance costs		12,651,736	3,219,052
Proceeds from CEBA loan (Note 11)		-	40,000
Proceeds from sale of marketable securities		307,632	-
Warrants exercised		1,955,576	-
Options exercised		145,825	-
		15,060,769	3,259,052
Effect of exchange rate changes on cash and cash equivalents		(13,012)	23,414
Change in cash and cash equivalents for the period		\$ 10,233,073	\$ 1,165,702
Cash and cash equivalents, beginning of the period		\$ 2,572,178	\$ 812,909
Cash and cash equivalents, end of the period		\$ 12,805,251	\$ 1,978,611
Supplemental Information:			
Non-cash investing and financing activities:			
Change in mineral property costs included in accounts payable		\$ (18,936)	\$ 28,457

KODIAK COPPER CORP. (formerly Dunnedin Ventures Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2021

(Unaudited – Prepared by Management)

Expressed in Canadian Dollars

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

The Company was incorporated under the laws of the Province of British Columbia on January 12, 1987. The Company's common shares are trading as a mining issuer on Tier 2 of the TSX Venture Exchange under the trading symbol KDK.

On April 1st, 2020, the Company changed its name from Dunnedin Ventures Inc. to Kodiak Copper Corp. and shares commenced trading on the Toronto Venture Exchange under the ticker symbol ("KDK") on the basis of five (5) pre-consolidation shares to one (1) post-consolidation share.

All share and per share amounts are shown on a post-consolidated basis retroactively throughout these consolidated statements.

The Company's activities consist of the exploration and development of base and precious metals throughout North America. The head office and principal address of the Company are located at 1020 – 800 West Pender Street, Vancouver, BC V6C 2V6.

As the Company is in the exploration stage, the recoverability of amounts shown for exploration and evaluation assets and the Company's ability to continue as a going concern is dependent upon the discovery of economically recoverable reserves, continuation of the Company's interest in the underlying resource claims, the ability of the Company to obtain necessary financing to complete their development and upon future profitable production or proceeds from the disposition thereof. The amounts shown as exploration and evaluation assets represent net costs to date, less amounts amortized and/or written-off, and do not necessarily represent present or future values.

The Company incurred a net loss of \$4,878,030 during the nine months ended June 30, 2021 and, as of that date, the accumulated deficit was \$59,532,240. The Company expects to incur future losses in the development of its business. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary if the Company were not to continue as a going concern.

The novel coronavirus ("COVID-19") has caused many countries to implement measures to reduce the spread of the virus. The effect and duration of COVID-19 and government responses to it are unknown. Consequently, management anticipates, but cannot predict the effect of unknown adverse changes to its future business plans, financial position, cash flows, and results of operations, and as a result the Company has written down its Kahuna project to zero (see note 5d).

Statement of Compliance

These condensed interim consolidated financial statements for the nine months ended June 30, 2021 were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations ("IFRIC") in effect at June 30, 2021. The Company has elected to present the statements of operations and comprehensive loss in a single statement. The condensed interim consolidated financial statements of the Company for the nine months ended June 30, 2021 (including comparatives) have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on August 24, 2021.

KODIAK COPPER CORP. (formerly Dunnedin Ventures Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2021

(Unaudited – Prepared by Management)

Expressed in Canadian Dollars

2. BASIS OF PREPARATION

Critical judgments in applying accounting policies

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the year. Actual results could differ from these estimates.

These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Certain comparative figures have been reclassified to conform with the current year presentation. Certain comparative figures have been reclassified to conform with the current year presentation.

3. SIGNIFICANT ACCOUNTING POLICIES

New standards, interpretations and amendments adopted by the Company

The accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the years ended September 30, 2020 and 2019, except for the adoption, on October 1, 2019, of ***IFRS 16, Leases and IFRIC 23, Uncertainty over Income Tax Treatments*** which has an initial application as at this date.

The newly adopted IFRS 16, Leases standard establishes principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The Company has assessed its office lease agreement and concluded that the agreement does not constitute the ability to direct the use (right to use) of the underlying office premises in the context of IFRS 16. As such, the adoption of the above standard has not had an impact on the results and financial position of the Company.

The newly adopted IFRIC 23, Uncertainty over Income Tax Treatments clarifies the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The adoption of the above standard, amendments and interpretations has not had an impact on the financial statements of the Company.

KODIAK COPPER CORP. (formerly Dunnedin Ventures Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

4. RECLAMATION BONDS

	June 30, 2021	September 30, 2020
MPD	\$ 97,500	\$ 50,000
Trapper	-	30,284
Mohave	46,192	49,714
Kahuna	40,000	40,000
	\$ 183,692	\$ 169,998

The MPD portion of the reclamation bonds is a \$50,000 security deposit paid to the Ministry of Energy, Mines and Petroleum Resources of British Columbia. The security deposit was paid as a part of the permit application. In January of 2021 the security deposit was increased by an additional \$47,500.

The Trapper portion of the reclamation bonds is a guaranteed investment certificate held in a financial institution as security for reclamation obligations pursuant to the Mines Act of the Province of British Columbia and Health, Safety and Reclamation Code for Mines in British Columbia. The reclamation bond amount of \$30,284 is presented as a non-current asset. The investment bears the variable interest rate of prime less 2.60% per annum and matures on April 24, 2021. In October 2020, the Trapper bond was refunded to the Company and then transferred to Brixton Metals Corporation as it formed part of the sale of the Trapper property Brixton Metals Corporation. See note 5c for full details on the Trapper property sale.

The Mohave portion of the reclamation bonds is a cost estimate to be paid by the Company to the Bureau of Land Management Kingman Field Office in the state of Arizona, USA. This cost estimate of (US\$37,270 - \$46,192 - 2021), (US\$37,270 - \$52,875 - 2020) is for the Company to meet its anticipated reclamation requirements.

For the Kahuna resource property in the territory of Nunavut a reclamation Letter of Credit is recorded in reclamation bonds. A \$40,000 "Letter of Credit" was arranged with BMO on August 29, 2017 and amended on October 4, 2017. This letter is held by the financial institution as security for possible reclamation obligations pursuant to Land Use License KVL315B01, issued by the Kivalliq Inuit Association which authorizes surface exploration activities on Inuit Owned Land parcel CI-15. The Letter of Credit is a certificate which is extended automatically from year to year, and available to the Kivalliq Inuit Association upon written demand.

KODIAK COPPER CORP. (formerly Dunnedin Ventures Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

Summary of the mineral projects' costs by project for the nine months ended June 30, 2021:

	Notes	Trapper (BC, Canada)	Kahuna (NU, Canada)	MPD (BC, Canada)	Mohave (AZ, USA)	Total
<u>Acquisition costs:</u>						
Beg balance, September 30, 2020	\$	-	\$ -	\$ 390,574	\$ 186,700	\$ 577,274
Additions /(deductions) during the period:						
Claim fees		-	-	51	-	51
Axe property acquisition (shares)		-	-	1,577,000	-	1,577,000
Impairment of acquisition costs		-	-	-	-	-
Foreign exchange movements		-	-	-	(2,045)	(2,045)
Acquisition costs, June 30, 2021	\$	-	\$ -	\$ 1,967,625	\$ 184,655	\$ 2,152,280
<u>Exploration costs:</u>						
Beg balance, September 30, 2020	\$	-	\$ -	\$ 2,243,182	\$ 60,126	\$ 2,303,308
Additions /(deductions) during the period:						
Geological consulting	7	432	2,887	895,772	4,863	903,954
Drilling		-	-	1,342,343	-	1,342,343
Assays		-	-	188,920	-	188,920
Exploration support		-	5,400	317,517	1,566	324,483
Fuel		-	-	4,449	-	4,449
Travel		-	-	150,592	-	150,592
Foreign exchange movements		-	-	-	(4,946)	(4,946)
Impairment of exploration costs		(432)	(8,287)	-	-	(8,719)
Exploration costs, June 30, 2021	\$	-	\$ -	\$ 5,142,775	\$ 61,609	\$ 5,204,384
Balance, June 30, 2021	\$	-	\$ -	\$ 7,110,400	\$ 246,264	\$ 7,356,664

KODIAK COPPER CORP. (formerly Dunnedin Ventures Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Summary of the mineral projects' costs by project for the year ended September 30, 2020:

	Note s	Trapper (BC Canada)	Kahuna (NU, Canada)	MPD (BC, Canada)	Mohave (AZ, USA)	Total
<u>Acquisition costs:</u>						
Beg balance, September 30, 2019		\$ -	\$ 2,873,760	\$ 380,272	\$ 175,875	\$ 3,429,907
Additions /(deductions) during the period:						
Claim fees		-	2,874	10,302	10,389	23,565
Impairment of acquisition costs		-	(2,876,634)			(2,876,634)
Foreign exchange movements		-	-	-	436	436
Acquisition costs, September 30, 2020		\$ -	\$ -	\$ 390,574	\$ 186,700	\$ 577,274
<u>Exploration costs:</u>						
Beg balance, September 30, 2019		\$ -	\$ 6,630,407	\$ 325,045	\$ 43,585	\$ 6,999,037
Additions /(deductions) during the period:						
Geological consulting	7	3,467	19,328	640,068	14,805	677,668
Drilling		-	-	972,629	-	972,629
Assays		-	286	115,021	-	115,307
Exploration support		-	4,092	124,878	-	128,970
Fuel		-	5,000	683	-	5,683
Travel		-	-	64,858	-	64,858
Foreign exchange movements		-	-	-	1,736	1,736
Impairment of exploration costs		(3,467)	(6,659,113)	-	-	(6,662,580)
Exploration costs, September 30, 2020		\$ -	\$ -	\$ 2,243,182	\$ 60,126	\$ 2,303,308
Balance, September 30, 2020		\$ -	\$ -	\$ 2,633,756	\$ 246,826	\$ 2,880,582

a. MPD Property

On November 29, 2018, the Company announced it has entered into a purchase agreement to acquire 100% ownership of the 78.5 square kilometres consolidated Man, Prime and Dillard properties, the "MPD Project" in south-central British Columbia. The MPD Project is within the Quesnel Trough, British Columbia's primary copper-producing belt, and has characteristics similar to the neighboring alkaline porphyry systems at the Copper Mountain Mine to the south, New Gold's New Afton Mine to the north.

In relation to the offer, the Company paid \$100,000 in cash and issued 360,000 post-consolidated shares valued at \$162,000, being the fair value of the shares at issuance date, which were paid on the closing of the transaction. A further \$100,000 was paid in March, 2019. The agreement is subject to a 1.25% to 2% net smelter return royalty, which is payable on three of a total of 28 mineral claims. No royalties are payable on the remaining 25 claims.

A mineral exploration permit was obtained for the MPD property. In connection with the permit a refundable \$50,000 security deposit was posted with the British Columbia Minister of Finance. An additional \$47,500 was posted in January, 2021 (see Note 4).

KODIAK COPPER CORP. (formerly Dunnedin Ventures Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

a. MPD Property (continued)

As part of the MPD permit, the Company agreed to assume the clean up obligation of a previous operator, as well as its own obligations related to current exploration. As a result, the amount of \$100,000 has been recorded in Exploration and Evaluation assets, Geological consulting, and the liability is recorded in Accounts Payable and Accrued Liabilities.

On April 19, 2021 the Company announced that it had entered into a purchase agreement to acquire a 100% interest in the Axe Copper-Gold Property from Orogen Royalites. The property is located 20 kilometres north of the town of Princeton in BC and is immediately south of, and contiguous with the Company's MPD property.

The transaction details were as follows:

- 950,000 Kodiak shares upon closing of the transaction; (issued)
- A 2% net smelter returns royalty on the Axe property of which 0.5% may be purchased by Kodiak for C\$2,000,000 at any time;
- A cash payment equivalent to the value of 75,000 Orogen shares up to a maximum of C\$50,000 upon the completion of 5,000 metres of drilling on the Axe Property;
- A cash payment equivalent to the value of 200,000 Orogen shares up to a maximum of C\$150,000 upon the announcement of a measured or indicated mineral resource estimate of at least 500,000,000 tonnes at a grade of at least 0.40% copper equivalent on the Axe property; and
- A cash payment equivalent to the value of 250,000 Orogen shares up to a maximum of C\$200,000 upon the completion of a feasibility study on the Axe Property.

b. Mohave Property

On March 4, 2019, the Company announced that it had entered into a letter of intent to acquire 100% of the Mohave copper-molybdenum-silver porphyry property ("Mohave") in Mohave County, Arizona, USA, from Bluestone Resources Inc. ("Bluestone").

In relation to the acquisition, the Company paid \$50,000 in cash and issued 232,558 post-consolidated common shares at a fair value of \$100,000 in Kodiak (formerly Dunnedin) shares upon closing of the transaction, which occurred on May 22, 2019. The Company has committed to issue 100,000 post-consolidated shares upon the public disclosure of a 43-101 resource of the project, 100,000 post-consolidated shares upon the public disclosure of a preliminary economic analysis for the project, 100,000 post-consolidated shares upon the public disclosure of a pre-feasibility or more advanced study for the project, and a 0.5% NSR royalty on the Mohave claims and on a 2km area of interest around the Mohave claims.

In addition to the above commitments to Bluestone Resources Inc., the Company is committed to pay US\$ \$1,000,000 to the original optionor of the Mohave property no later than 30 days after the Company announces a production decision or has secured financing to implement such a decision.

In addition to the 0.5% NSR royalty to Bluestone, Mohave property is subject to a 3.5% NSR royalty to the original optionor of which 1% can be bought back for US \$1,000,000.

The measurement of the commitments and NSRs have not been reflected in the asset acquisition transaction and such liabilities will be recognized as the related activities that give rise to the liabilities occur.

The breakdown of the transaction is below:

KODIAK COPPER CORP. (formerly Dunnedin Ventures Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

b. Mohave Property (continued)

Assets acquired:	
Acquisition costs	\$ 115,158
Exploration and evaluation assets	34,842
	<u>\$ 150,000</u>
Consideration:	
Cash	\$ 50,000
Shares issued and measured at issuance date	100,000
	<u>\$ 150,000</u>

c. Trapper Property

By agreement dated November 29, 2010 and amended June 28, 2013 the Company acquired 100% of the Trapper property in northern BC.

During the year ended September 30, 2020, the Company entered into an agreement with Brixton Metals Corporation ("Brixton") to dispose of its 100% interest in the Trapper property for net consideration of \$918,119, to be satisfied by an initial payment of \$100,000 in cash and 2,324,393 Brixton shares. The shares were recorded at the closing price of \$0.365 per share on the date of receipt of the shares (September 8, 2020). Subsequent to year end, the Company released the \$30,284 Trapper bond to Brixton. See table below for a summary of the transaction.

Trapper Property Sale	
Cash	\$ 100,000
Fair value of Brixton shares on Sept 8	848,403
Less: reclamation bond	(30,284)
Net consideration received	918,119
Carrying value of Trapper Property	-
Gain on Sale of Trapper Property	\$ 918,119

During Q2 the Company sold 1,200,000 of the Brixton shares, resulting in a loss of \$112,285. At June 30, 2021 the Brixton share price was \$0.175, this resulted in a fair value adjustment on the Brixton marketable securities for the three months to June 30, 2021 of \$67,464 and 262,651 for the nine months to June 30, 2021, recorded to other comprehensive income (loss).

d. Kahuna Property

On November 4, 2014, the Company signed an option agreement to acquire a 100% interest in the Kahuna Diamond project located in Nunavut, Canada. Under the terms of the agreement, the Company had to make cumulative exploration expenditures on the project totaling \$5,000,000, issue 2,200,000 common shares, and pay \$700,000 over four years. On April 30, 2017, the Company entered into a Letter Agreement where it accelerated its option agreement to acquire a 100% undivided interest in the Kahuna project by paying the remaining cash (\$100,000 upon signing – paid, and \$250,000 upon completion of its financing – paid, and issuing the remaining 880,000 common shares – issued). The Company is no longer required to meet the remainder of its previously disclosed \$5 million cumulative exploration expenditures commitment.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

d. Kahuna Property (continued)

The option agreement contained a Royalty Agreement clause which stated the following; In accordance with the terms of the Royalty Agreement, the Kahuna Property is currently subject to two separate two percent (2%) gross overriding royalties on diamonds (each, a "GOR" and together, the "GORs"), and two separate two percent (2%) net smelter return royalties (each, an "NSR" and together, the "NSRs") on all other minerals derived from the Property. Pursuant to the Royalty Agreement, one percent (1%) of each GOR may be purchased from either of the parties for \$2 million, and one percent (1%) of each NSR may be purchased from either of the parties for \$2 million.

On December 11, 2015, the Company entered into an agreement with Kel-ex Development ("Kel-ex"), a private company controlled by a former advisor to the Company, whereby Kel-ex will provide equity financing equal to one-third of the Company's diamond processing and other laboratory costs incurred through a laboratory controlled by the advisor. Kel-ex has continued to maintain its interest as per the agreement. The advisor has also agreed to provide certain professional and technical advisory services to the Company, in exchange the Company has granted a right-of-first-refusal to Kel-ex on the sale of its interests in the Kahuna diamond project.

On May 11, 2017, the Company proceeded with its intention to spin out its rights to gold mineralization at the Kahuna Property. On July 20, 2017, the Company released details of the transaction to spin out a company, Solstice, that would independently explore the Kahuna Property for gold.

During the period ended December 31, 2017, Dunnedin and Solstice entered into the Kahuna Property Land Transfer and Rights Agreement, which set out the terms to which the Company will transfer mineral claims located in Nunavut to Solstice. The transferred claims are free and clear of any and all mortgages, charges, pledges, liens, licences, privileges, security interests, royalties, encumbrances, claims or rights or interest attaching to or affecting property, whether recorded or unrecorded, and whether arising by agreement, statute or otherwise under applicable laws, apart from the GORs and the NSRs.

Due to COVID-19 uncertainty surrounding the Company's ability to access the project for further exploration or sale, as well as the Company's decision to enter the copper industry, the Company has decided to write-down the value of the project to \$nil.

The Kahuna property is subject to an Annual Assessment Expenditure Commitment on active claims ranging from \$110,000 to \$550,000 annually over the next five years. All claims are in good standing until 2022. No expenditures are required in 2021.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company is disputing \$287,154 of accounts payable that arose in 2011 and the Company believes these amounts will be settled without payment. This disputed amount is included in the 2021 Q3 and 2020 year end balance.

7. RELATED PARTY TRANSACTIONS

The Company's transactions with related parties during the nine months ended June 30, 2021 and 2020 consist of transactions with directors, officers, and shareholders of the Company.

Amounts paid and accrued to key management personnel, officers and companies controlled by directors and officers:

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7. RELATED PARTY TRANSACTIONS (continued)

	Nine Months ended June 30, 2021	Nine Months ended June 30, 2020
Geological fees capitalized to exploration & evaluation ⁽¹⁾	\$ 280,514	\$ 214,709
Management & Directors fees ⁽²⁾	396,968	228,840
Share-based compensation	745,720	129,712
Total	\$ 1,423,202	\$ 573,261

(1) Geological fees were paid to the Company's VP Exploration, and the VP Operations.

(2) Management fees includes salaries and compensation to the Company's Chairman, CEO & President, VP Exploration, VP Operations, Directors and the CFO.

As at June 30, 2021, \$ Nil (2020 – \$41,654) was payable to the Company's VP Exploration, VP Operations, Chairman and CFO.

8. SHARE CAPITAL

a. Authorized

Share capital consists of an unlimited number of common shares and preferred shares without par value. The Company has not issued any preferred shares.

On April 1, 2020 the Company completed a consolidation of its share capital on a 5:1 basis. All share and per share information is shown on a post-consolidated basis retroactively throughout these consolidated financial statements.

b. Share Issuances

Issued during the nine months ended June 30, 2021

On October 8, 2020, the Company announced it had closed its non-brokered private placement ("Placement") previously announced on September 14, 2020 for gross proceeds of \$12,677,479. \$273,000 of the gross proceeds were received prior to year-end. This money received prior to year-end was recorded in cash and cash equivalents and accounts payable and accrued liabilities. And then subsequent to year end it was relocated to share capital from accounts payable and accrued liabilities, once the private placement closed.

In connection with the placement, the Company issued 3,739,316 flow through common shares of the Company placed through a charity flow-through arrangement consisting of 2,786,666 at a price of \$2.88 per share and 952,650 at a price of \$2.78. The Company also issued 1,027,443 common shares of the Company at a price of \$1.95 per share.

Teck Resources Limited ("Teck"), who participated in the financing, acquired approximately 9.9% of the issued and outstanding common shares of Kodiak on a non-diluted basis. In connection with the Placement, Kodiak has agreed to grant Teck an equity participation right to maintain its pro-rata ownership in the Company.

In connection with the closing of the Placement the Company paid finders' fees of \$21,093 to eligible parties who introduced subscribers to the Placement. A further \$4,650 of share issuance costs was paid for legal and flow through costs related to the placement. \$6,868 was credited to share issuance costs, to offset the flow through premium liability. All securities issued in connection with the private placement are subject to a four-month-and-one-day statutory hold period from the date of issue, expiring on February 8, 2021.

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8. SHARE CAPITAL (continued)

b. Share Issuances (continued)

On April 19, 2021 the Company announced that it had entered into a purchase agreement to acquire a 100% interest in the Axe Copper-Gold Property from Orogen Royalites. The property is located 20 kilometres north of the town of Princeton in BC and is immediately south of, and contiguous with the Company's MPD property. See Note 5a for transaction details.

Issued during the year ended September 30, 2020

On December 12, 2019, the Company announced that it has closed a previously announced non-brokered private placement of non flow-through units and flow-through units for gross proceeds of \$605,850. The Company has issued 721,600 NFT Units at a price of \$0.375 per share and 596,000 FT Units at a price of \$0.5625 per share through the Offering. Each Unit consists of one common share and one-half-of-one common share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.75 for a period of twenty-four months. The warrants are subject to accelerated expiry in the event the common shares of the Company trade at a closing price of at least \$1.25 for 20 consecutive trading days.

In connection with the closing of the placement, the Company incurred \$21,384 of share issuance costs, including \$18,619 paid in cash and \$2,765 recorded as the fair value of the 15,973 warrants issued to finders. Of this total, \$3,944 was allocated to share issuance costs related to flow through share premium (Note 9). The net share issuance costs after the \$3,944 flow through premium adjustment were \$17,440. These finders' warrants are subject to accelerated expiry on the same terms as the warrants comprising in

the FT Units and the NFT Units. All securities issued in connection with the private placement are subject to a four month-and-one-day statutory hold period from the date of issue, expiring on April 13, 2020.

On March 12, 2020, the Company announced that it has closed a previously announced non-brokered private placement of non flow-through units and flow-through units for gross proceeds of \$2,772,000. The Company has issued 2,035,843 NFT Units at a price of \$0.35 per share, 233,300 FT Units at a price of \$0.45 per share, and 3,722,798 charity FT Units at a price of \$0.525 per share through the Offering. Each Unit consists of one common share and one-half-of-one common share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.55 for a period of twenty-four months. The warrants are subject to accelerated expiry in the event the common shares of the Company trade at a closing price of at least \$1.25 for 20 consecutive trading days.

In connection with the closing of the placement, the Company incurred \$183,320 of share issuance costs, including \$140,179 paid in cash and \$43,141 recorded as the fair value of the 348,615 warrants issued to finders. Of this total, \$44,628 was allocated to share issuance costs related to flow through share premium (Note 9). The net share issuance costs after the \$44,628 flow through premium adjustment were \$138,692. These finders' warrants are subject to accelerated expiry on the same terms as the warrants comprising in the FT Units and the NFT Units. All securities issued in connection with the private placement are subject to a four month-and-one-day statutory hold period from the date of issue, expiring on July 13, 2020.

On September 14, 2020, the Company announced a new strategic investment from Teck Resources Limited and financing of up to \$12.5 million dollars. At year end, the financing was not closed and the Company had received \$273,000 in advance of the issuance of shares for the total financing. The financing closed subsequent to year end on October 8, 2020.

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8. SHARE CAPITAL (continued)

c. Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance as at September 30, 2019	4,783,540	\$1.10
Issued	4,019,361	\$0.58
Exercised	(2,408,550)	\$0.66
Expired	(1,198,346)	\$1.56
Balance as at September 30, 2020	5,196,005	\$0.81
Exercised	(2,370,940)	\$0.84
Balance as at June 30, 2021	2,825,065	\$0.82

NOTE: On April 1, 2020, the Company's shares started trading on the basis of five pre-consolidation shares for one post consolidation share. The warrants in the above and below tables were all adjusted on this basis.

As at June 30, 2021, the outstanding warrants are summarized as follows:

Expiry date (mm/dd/yyyy)	Number of Warrants	Weighted Average Remaining Life in Years	Weighted Average Exercise Price
07/17/2021	1,006,902 ²	0.05	\$1.15
07/17/2021	17,750 ²	0.05	\$1.35
12/12/2021	334,134	0.45	\$0.75
12/12/2021	11,173	0.45	\$0.75
03/12/2022	1,455,106	0.70	\$0.55
	2,825,065¹	0.43	\$0.79

¹ All outstanding warrants were exercisable as at June 30, 2021.

² On June 26, 2019 the Company announced that it will extend the expiry dates of 1,791,400 outstanding warrants by two years. The original expiry date was July 17, 2019. TSX approval was received on July 2, 2019.

The fair value of the finders' warrants was estimated at the grant date based on the Black-Scholes option pricing model, using the following assumptions:

	Year Ended September 2020
Expected dividend yield	0%
Weighted average risk-free interest rate	0.47%-1.70%%
Weighted average expected life	2 years
Weighted average expected volatility	128%-130%
Weighted average fair value of warrants granted	\$0.124-\$0.173

d. Stock Options

The Company has adopted an incentive stock option plan (the "Option Plan") dated February 27, 2009 which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the then issued and outstanding common shares of the Company. At the discretion of the Board of Directors of the

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8. SHARE CAPITAL (continued)

d. Stock Options (continued)

Company, options granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms are determined at the time of grant by the Board of Directors and unless otherwise stated fully vest when granted.

During the nine months ended June 30, 2021, 979,000 options were granted. Resulting in share-based compensation of \$1,307,496 which is recorded in reserves.

During the year ended September 30, 2020, the Company granted 1,015,000 stock options resulting in share-based compensation of \$222,442. 350,000 options expired during the year ended September 30, 2020. 94,000 stock options were exercised for total gross proceeds of \$35,700.

The fair value of the options was estimated at the grant date based on the Black-Scholes option pricing model, using the following assumptions:

	Year Ended September 2020	Nine Months Ended March 2021
Expected dividend yield	0%	0%
Weighted average risk-free interest rate	0.36%-0.52%	0.24%-1.02%
Weighted average expected life	5 year	1-5 years
Weighted average expected volatility	137%-138%	129%-165%
Weighted average fair value of options granted	\$0.21-\$0.31	\$1.07-\$1.36

The following is a summary of the Company's stock option activity:

	Number of Options	Weighted Average Exercise Price
Balance as at September 30, 2019	2,134,000	\$ 0.67
Granted	1,015,000	\$ 0.35
Exercised	(94,000)	\$0.38
Expired	(350,000)	\$ 0.35
Balance as at September 30, 2020	2,705,000	\$ 0.60
Granted	979,000	\$ 1.58
Exercised	(261,000)	\$ 0.58
Balance as at June 30, 2021	3,423,000¹	\$ 0.885

¹ All outstanding options were exercisable as at June 30, 2021.

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8. SHARE CAPITAL (continued)

d. Stock Options (continued)

As at June 30, 2021, the Company has outstanding stock options as follows:

Expiry date (mm/dd/yyyy)	Number of Options	Weighted Average Remaining life in years	Weighted Average Exercise Price
08/04/2021	40,000	0.10	\$0.50
09/06/2021	630,000	0.19	\$0.65
10/22/2021	30,000	0.31	\$2.28
01/18/2022	216,000	0.55	\$0.70
01/31/2023	402,000	1.59	\$1.20
03/04/2024	305,000	2.68	\$0.375
03/12/2025	801,000	3.70	\$0.35
06/14/2025	50,000	3.96	\$0.43
1/20/2026	939,000	4.56	\$1.56
3/15/2026	10,000	4.71	\$1.57
	3,423,000	2.69	\$0.885

9. FLOW THROUGH SHARE PREMIUM LIABILITY

Flow through share premium liabilities include the liability portion of the flow through shares issued. The following is a continuity schedule of the liability portion of the flow through shares issuances.

	Issued on April 29, 2019	Issued on December 12, 2019	Issued on March 12, 2020	Total
Balance at October 1, 2019	\$ 82,504	\$ -	\$ -	\$ 82,504
Liability incurred on flow through shares issued		111,750	674,820	786,570
Flow-through issuance costs (Note 8b)		(3,944)	(44,628)	(48,572)
Settlement of flow through share liability on incurring expenditures	(82,504)	(107,806)	(392,381)	(582,691)
Balance at September 30, 2020	\$ -	\$ -	\$237,811	\$ 237,811

	Issued on March 12, 2020	Issued on October 08, 2020	Total
Balance at October 1, 2020	\$ 237,811	\$ -	\$ 237,811
Liability incurred on flow through shares issued		3,382,299	3,382,299
Flow-through issuance costs (Note 8b)		(6,868)	(6,868)
Settlement of flow through share liability on incurring expenditures	(237,811)	(636,339)	(874,150)
Balance at June 30, 2021	\$ -	\$ 2,739,092	\$ 2,739,092

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9. FLOW THROUGH SHARE PREMIUM LIABILITY (continued)

As at June 30, 2021, the Company has fulfilled 100% of its commitment to incur expenditures in relation to flow through share financings from, April 2019, December 2019 and March 2020

In relation to the flow through share financings, the Company recorded \$2,881,971 as deferred income tax expense (2020 - \$646,570), a net flow through premium liability of \$874,150 was reversed during the period (2020 - \$271,430), and \$4,096,011 was recorded as a deferred tax liability (2020 - \$1,214,040).

10. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, amounts receivables, advances and deposits, marketable securities, accounts payable and accrued liabilities and CEBA loan. The fair values of these financial instruments approximate their carrying values, other than cash and marketable securities which is carried at fair value.

Marketable securities are a Level 1 financial instrument.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following summarizes fair value hierarchy under which the Company's financial instruments are valued:

- Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company examines the various financial instrument risks to which it is exposed and assesses any impact and likelihood of those risks. The Company's risk exposures and their corresponding impact on the Company's consolidated financial instruments are summarized below.

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. As at June 30, 2021, the Company had a cash and cash equivalents balance of \$12,805,251 (September 30, 2020 - \$2,572,178), a marketable securities balance of \$196,769 (September 30, 2020 - \$767,050) to settle current liabilities of \$725,437 that are due within one year (September 30, 2020 - \$1,109,901).

The Company intends to finance future requirements from its existing cash reserves together with share issuances, the exercise of options and/or warrants, debt or other sources. There can be no certainty of the Company's ability to raise additional financing through these means.

Credit risk is the risk that the counterparty to a financial instrument will fail to meet their payment obligations, thus this risk is primarily attributable to cash and cash equivalents. The Company maintains its cash and cash equivalents with high-credit quality financial institutions, thus limiting its credit risk. As at June 30, 2021, the Company had a receivable balance of \$77,492 (September 30, 2020 - \$76,119), which primarily relates to GST receivable from the Federal Government of Canada and proceeds from the sale of marketable securities. There was \$163,085 in Advances and Deposits as at June 30, 2021 (September 30, 2020 - \$209,440) which is made up of predominately of prepayments to vendors.

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at June 30, 2021, the Company does not have any interest-bearing loans or liabilities outstanding. All receivable and payable balances are current and as such, are not subject to interest.

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10. FINANCIAL INSTRUMENTS (continued)

Currency risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign currency. As at June 30, 2021, the Company has in US dollars US\$14,745 or C\$18,274.37 in equivalent (September 30, 2020 – US\$20,949 or C\$27,943 in equivalent).

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and commodity and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Investments in equity instruments which are classified as fair value through other comprehensive income (loss) and are measured at fair value, are listed on public stock exchanges, including TSX-V and OTC-QB. The Company is exposed to market price risk on its marketable securities. The Company's marketable securities consist of one listed entity called Brixton Metals Corporation. A 10% change in quoted market price for Brixton Metals Corporation at June 30, 2021 would result in a change to other comprehensive income(loss) and fair value of marketable securities of \$19,677.

11. CAPITAL DISCLOSURES

The Company's objective, when managing capital, is to ensure sufficient resources are available to meet day to day operating and exploration requirements and to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In May of 2020, the Company received the \$40,000 interest free Canada Emergency Business Account (CEBA) loan. The program is operated by the Government of Canada. If the loan balance is paid on or before December 31, 2022, there will be loan forgiveness of 25% or \$10,000.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period. In the management of capital, the Company includes the components of shareholders' equity, as well as cash and cash equivalents.

12. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. All of the Company's operations are within the mineral exploration sector in Canada and the USA (Note 5). No material assets and revenue exist in the USA for separate presentation, other than what is included in Note 5.

13. SUBSEQUENT EVENTS

Subsequent to quarter end there were 1,044,650 warrants and 170,000 options exercised. The warrants VWAP was \$1.10 and the VWAP for the options was \$0.61 This resulted in total gross proceeds of \$1,257,598.